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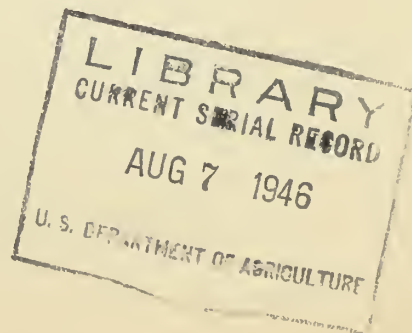
WORLD TOBACCO REPORTS  
UNITED STATES LEAF TOBACCO IN WORLD MARKETS

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CONTENTS

	Page
Summary . . . . .	1
History of United States Tobacco Export Trade . . . . .	2
United States Share in World Exports of Tobacco . . . . .	5
Importance of Tobacco Exports . . . . .	5
The European Market . . . . .	6
Adequacy of Statistics . . . . .	8
Postwar Prospects for Tobacco Exports . . . . .	10
Flue-cured Tobacco . . . . .	10
Fire-cured Tobacco . . . . .	15
Light Air-cured Tobacco . . . . .	17
Burley . . . . .	17
Maryland . . . . .	17
Dark Air-cured Tobacco . . . . .	18
One Sucker . . . . .	18
Green River . . . . .	19
Black Fat and Dark African . . . . .	20

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## Summary

1. Tobacco production in the United States was started to meet export demand. During the colonial period, exports expanded rapidly. In 1619, exports were 20,000 pounds, and in 1771-75, they averaged more than 100 million pounds. In the interval between the Revolutionary War and the Civil War, exports were generally lower than in the latter years of the colonial period, but from 1840 to 1860 exports increased and reached approximately 167 million pounds in 1860. Following the close of the Civil War, exports increased rather rapidly. In 1868, they exceeded 200 million pounds; in 1874, they were more than 300 million pounds, and in 1913 they amounted to more than 400 million pounds. During the 20 years between World War I and World War II, exports were irregular. In 1919 they reached an all-time high of approximately 777 million pounds, and were thereafter irregularly lower. The low point for the period was reached in 1935 when exports were only 396 million pounds.

2. Exports of tobacco from the United States did not maintain their relative position in world trade during the interval between World War I and World War II. During that period the United States percentage of world trade in tobacco decreased from 46.4 percent to 39.7 percent, while exports from other countries increased proportionately. This loss in relative position was due largely to trade barriers, such as barter arrangements, currency manipulation, and preferential rates of duty.

3. Immediate postwar prospects are favorable for the export of all types of tobacco. Lack of foreign exchange may retard business with some countries, unless loans or long-term credits can be arranged. The long-term prospects will be determined by several factors. Trade barriers, or the absence of such barriers, will probably be the most important factor. Removal of trade barriers would assist the United States in recovering its previous position in world trade in tobacco. The long-term prospects do not apply equally to all classes of tobacco. If the prewar trend to cigarettes continues in the postwar period, which appears likely, the demand for flue-cured and light air-cured tobacco would increase and the requirements for fire-cured and dark air-cured leaf would decrease.

No other country has produced flue-cured, fire-cured, and air-cured tobacco with flavor and aroma equal to that grown in the United States. Similarly, the cigar tobacco of Cuba has flavor and aroma unexcelled by the product of any other country. The quality of the tobacco grown in the United States should be a favorable factor in the long-term exports from this country. Tobacco consumers throughout most of the world prefer tobacco from the United States for use in certain products, and this applies particularly to "Virginia" and blended cigarettes, pipe mixtures, and snuff.

The long-term demand for flue-cured tobacco from this country may also be influenced by production in other countries and by the prices for grades of the lower qualities which are exported to countries in which demand is largely regulated by price. The long-term export of Burley tobacco will be influenced by the effect, or lack of effect, of the worldwide distribution of blended cigarettes during the war. If smokers in

other countries have acquired a taste for this kind of cigarettes, it may also be necessary to carry out considerable promotional work to induce foreign manufacture of "American" cigarettes, which would increase Burley exports. Aside from the production of fire-cured and dark air-cured tobacco in other countries, if the historic trend in the use of tobacco continues, it appears that these classes will, in the long-term prospects, be in decreasing demand in the world tobacco trade.

### History of United States tobacco export trade

Tobacco was one of the first commodities exported from the area now included in the United States. The first record of exports refers to a cargo of 2,300 pounds forwarded by the settlers of Jamestown, Virginia. This shipment reached the port of London in 1615. The price of tobacco in England was then very high; in 1618, fine Spanish leaf sold at 18 shillings per pound. High prices encouraged the Virginia Company to exploit the tobacco-growing possibilities of its colony, and in 1618 the Company's agent in Virginia was instructed to offer settlers 3 shillings per pound for their best tobacco, and 1 shilling 6 pence per pound for second quality. These prices were effective in stimulating production, and 20,000 pounds of tobacco from Virginia entered the port of London in 1619. Thereafter, exports of colonial tobacco increased rapidly, as indicated in Table 1, below.

Table 1. Colonial exports of tobacco for specified years, 1615-1775

Period	Exports
	Pounds
1615-1616 <u>a/</u>	2,300
1619 <u>b/</u>	20,000
1622 <u>b/</u>	60,000
1628 <u>b/</u>	500,000
1640 <u>b/</u>	1,500,000
1663 <u>c/</u>	7,367,140
1669 <u>c/</u>	9,026,046
1685 <u>b/</u>	25,000,000
Average annual	
1697-1701 <u>c/</u>	35,000,000
1744-1746 <u>c/</u>	42,000,000
1761-1765 <u>c/</u>	80,000,000
1771-1775 <u>c/</u>	102,000,000

a/ Tobacco, Its History, Jerome E. Brooks.

b/ Foreign Agriculture, Vol. I, No. 11, November 1937.

c/ History of Agriculture in Southern United States to 1860, L. C. Gray.

During the 70 years, 1790 to 1860, between the Revolution and the Civil War, exports increased but not as rapidly as during the colonial



period. Statistics of exports during that period were expressed in hogsheads. Using an average weight per hogshead of 1,000 pounds, the exports of that period can be compared with those of earlier and later years. In 1790 (see Table 2), exports amounted to 118,460 hogsheads, approximately 118.5 million pounds, and they did not again reach that amount for 50 years. Thereafter, exports increased to 167,274 hogsheads in 1860, or about 167.3 million pounds.

Table 2. United States exports of unmanufactured tobacco for specified years, 1790-1860

<u>Year a/</u>	<u>Exports Hogsheads</u>	<u>Year a/</u>	<u>Exports Hogsheads</u>
1790	118,460	1830	83,810
1795	61,050	1835	94,353
1800	78,680	1840	119,484
1805	71,252	1845	147,168
1810	84,134	1850	145,729
1815	85,337	1855	b/150,213
1820	83,940	1860	b/167,274
1825	75,984		

a/ Year ended September 30 for the period 1790-1840, and year ended June 30 for the period 1845-60.

b/ In addition the following tobacco was exported: 13,366 cases and 13,913 bales in 1855, and 15,035 cases and 17,817 bales in 1860.

Source: History of Agriculture in the Southern United States to 1860, L. C. Gray.

In the period between the Civil War and World War I, exports of tobacco increased, and in 1868 exceeded 200 million pounds. Exports exceeded 300 million pounds in 1874, and 39 years later, in 1913, they passed the 400 million-pound level.

Table 3. United States exports of unmanufactured tobacco for specified years, 1866-1916

Year <u>a/</u>	Amount <u>b/</u> 1,000 pounds	Year <u>a/</u>	Amount <u>b/</u> 1,000 pounds
1866	190,826	1896	287,700
1871	215,668	1901	306,901
1876	218,310	1906	302,333
1881	227,027	1911	351,568
1886	281,737	1916	436,467
1891	236,970		

a/ Year ending June 30.

b/ Amounts do not include stems, trimmings, and scrap, which are usually not a significant percentage of total exports. They have varied from less than 1 percent to a high of about 3 percent. Exports are stated in packed or redried weights and have not in this and other tables been converted to farm-sales-weight basis.

Source: Commerce and Navigation of the United States.

Immediately following World War I, exports of tobacco from the United States increased greatly, and in 1919 reached an all-time high of 776.7 million pounds. They declined irregularly to 396 million pounds in 1935, which was the low level of exports for the interval between World War I and World War II.

Table 4. United States exports of tobacco for specified years, 1918-1938

Year <u>a/</u>	Amount <u>b/</u> 1,000 pounds	Year <u>a/</u>	Amount <u>b/</u> 1,000 pounds
1918	406,827	1929	565,902
1919	776,678	1930	579,704
1920	479,900	1931	524,472
1921	522,756	1932	411,159
1922	441,856	1933	438,936
1923	497,347	1934	440,831
1924	575,398	1935	396,330
1925	477,488	1936	425,269
1926	487,058	1937	434,796
1927	511,868	1938	489,094
1928	583,846		

a/ Calendar year.

b/ Stems, trimmings, and scrap are included.

Source: Tobacco Markets and Conditions Abroad, Vol. XIV, No. 43, October 24, 1939, United States Department of Commerce.



United States share in world exports of tobacco

The United States exports a larger amount of tobacco than any other country. It does not, however, export as much as other countries combined. Table 5 gives the average exports by 5-year periods from this country, and those from other countries. It also shows total exports; and the percentage of the total which originated in the United States. The period covered is the 20 years between the end of World War I and the beginning of World War II.

Table 5. Exports of unmanufactured tobacco from the United States and other countries for specified periods, calendar-year basis, 1919-1938

Average	Q u a n t i t y <sup>a/</sup>			P e r c e n t a g e		
	United States	Other countries	Total	United States	Other countries	Total
	1,000 pounds	1,000 pounds	1,000 pounds	Percent	Percent	Percent
1919-23	543,707	627,198	1,170,905	46.4	53.6	100.0
1924-28	527,132	767,437	1,294,569	40.7	59.3	100.0
1929-33	504,035	727,532	1,231,567	40.9	59.1	100.0
1934-38	437,271	662,785	1,100,056	39.7	60.3	100.0

<sup>a/</sup> Stems, trimmings, and scrap are included.

Source: Annual Reports on Tobacco Statistics, United States Department of Agriculture.

The share of the United States in world tobacco exports was 46.4 percent for the 1919-23 period. It decreased to 39.7 percent during the 5-year period immediately preceding World War II. This was a loss of 6.7 percent in relative position or a reduction of 19.6 percent in actual exports during the 20 years, 1919-38.

During the 1919-23 period, average annual world exports were 1,171 million pounds, and for the 1934-38 period they were 1,100 million pounds, a decrease of 71 million pounds, or 6 percent. However, exports from the United States showed a decrease of 106 million pounds for the 1934-38 period, as compared with those of the 1919-23 period, or a loss of 19.6 percent. On the other hand, exports of other countries showed a gain of almost 36 million pounds, or 5.6 percent, for the 20 years. Trade conditions during the 15 years immediately preceding World War II were such that exports of tobacco from the United States decreased and those from other countries increased.

Importance of tobacco exports

In total value of exports from the United States, unmanufactured tobacco ranked fifth in 1934, 1935, and 1936, sixth in 1937 and 1938, and

then dropped to eighth place in 1939, due to the British withdrawing from the markets on account of exchange and shipping difficulties. Tobacco was second in value of agricultural commodities exported during 1934-38, and was third in 1939. Cotton ranked first in agricultural exports during those years. Any product which has such a high rank in total exports is of great importance to the whole economy of the country, and is of particular importance to producers. The export values of unmanufactured tobacco and raw cotton for specified years are shown in Table 6:

Table 6. United States export value of unmanufactured cotton and tobacco, 1935-1944

Years	Unmanufactured	
	Cotton 1,000 dollars	Tobacco 1,000 dollars
Average		
1935-39	318,440	127,798
1940	213,400	43,632
1941	82,562	65,125
1942	98,590	67,742
1943	184,244	170,242
1944	114,550	146,440

Source: Export value from Statistical Abstract of United States, Department of Commerce, and records of the Bureau of the Census.

During 1940-42, the average value of cotton exports was about 41 percent of the average for 1935-39, while the average value of tobacco exports was about 46 percent of those for that period. In 1943, cotton exports were 58 percent, and in 1944 about 36 percent of exports during 1935-39, while tobacco exports were 133 percent and 114 percent, respectively. In 1944, the value of tobacco exports exceeded those of raw cotton. The shipments of tobacco during the later war years may be some indication of the potential demand for tobacco in the immediate postwar period.

#### The European market

Certain European countries provided the markets for the major part of surplus tobacco grown in the exporting countries. They were the outlet for the greater part of the exports from the United States before World War I and in the interval between 1918 and 1938. The importance of European countries as a market for United States surplus tobacco is indicated by the statement of exports in Table 7.

Table 7. United States exports of leaf tobacco, including stems, trimmings, and scrap, to all countries and to European countries, fiscal years 1909-1918, calendar years 1918-1938

Years	To all countries	To European countries	Percentage to European countries
	1,000 pounds	1,000 pounds	Percent
Fiscal year:			
1909	281,901	245,276	87.0
1910	357,196	304,833	85.3
1911	355,327	300,787	84.7
1912	379,945	323,173	85.1
1913	418,797	345,884	82.6
1914	449,750	380,486	84.6
1915	348,346	296,947	85.2
1916	443,293	376,717	85.0
1917	411,599	336,509	81.8
1918	289,171	229,615	79.4
Calendar year:			
1918	406,827	323,162	79.4
1919	776,678	683,217	88.0
1920	479,900	383,960	80.0
1921	522,756	440,794	84.3
1922	441,856	353,997	80.1
1923	497,347	381,080	76.6
1924	575,398	416,405	72.4
1925	477,488	311,716	65.3
1926	487,058	314,229	64.5
1927	511,868	371,414	72.6
1928	583,846	317,244	54.3
1929	565,902	353,081	62.4
1930	579,704	359,807	62.1
1931	524,472	285,583	54.5
1932	411,159	267,217	65.0
1933	438,936	308,591	70.3
1934	440,831	310,492	70.4
1935	396,330	312,720	78.9
1936	425,269	310,693	73.1
1937	434,796	312,943	72.0
1938	489,094	366,327	74.9

Source: Tobacco Markets and Conditions Abroad, Vol. XIV, No. 43, October 24, 1939. United States Department of Commerce.

Table 7 shows the amounts exported annually from the United States to all countries from 1909 through 1938, the amounts sent to European



countries, and the percentage of United States exports that went to Europe. Since the takings of European countries were such a large percentage of total exports from the United States, it would appear that shipments to the principal importing countries of Europe would provide data indicating where United States exports failed to retain their relative position in international trade in tobacco.

Table 8 gives imports of tobacco into 10 European countries, and the amount imported by each from this country and the percentage from the United States. The average annual imports of tobacco by the specified countries from the United States amounted to 411 million pounds during the 5-year period 1919-23. The amount decreased to 303 million pounds in the 1934-38 period. This was a decrease of 108 million pounds. In the 1919-23 period, the specified countries imported from sources other than the United States, 353 million pounds, and in the 1934-38 period their takings from countries other than the United States amounted to 404 million pounds, an increase of 51 million pounds. While average imports of the 10 countries were lower in 1934-38 than in 1919-23 by 57 million pounds, average imports from sources other than the United States increased by 51 million pounds. The decrease in imports into the specified countries, plus the increase in imports from countries other than the United States amounted to 108 million pounds, which was the average annual decrease in imports from the United States in the 1934-38 period, as compared with the 1919-23 period.

The United Kingdom was the only one of the specified countries which imported from the United States more tobacco in the 1934-38 period than in the 1919-23 period. Its takings from the United States increased by 7.1 million pounds, but its total average annual imports increased by 44.1 million. If the specified countries had maintained their imports from the United States and other countries in the 1934-38 period on the same percentage basis as in the 1919-23 period, their average annual takings of tobacco from the United States in the 1934-38 period would have been 384 million pounds instead of their actual takings of 303 million pounds. In other words, failure to retain our 1919-23 relative position in the tobacco trade of these countries resulted in an annual decrease of 81 million pounds of tobacco imported from the United States by those countries during the 5 years ended December 31, 1938.

#### Adequacy of statistics

Statistics of tobacco exports and imports are subject to certain limitations. This should be kept in mind when two sets of figures are being compared, as they may be difficult to reconcile. In some cases, discrepancies can be explained, but in other cases they are obscure. The limitations of statistics in this connection are explained in <sup>1/</sup>Circular 249, pages 104 and 105. It will be well to study this Circular before comparing the statistics given above with those published elsewhere.

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<sup>1/</sup> American Tobacco Types, Uses and Markets, by Charles E. Gage, United States Department of Agriculture.

TABLE 2. UNMANUFACTURED TOBACCO; DECLINING SHARE OF THE UNITED STATES IN IMPORTS OF SPECIFIED EUROPEAN COUNTRIES, AVERAGES 1919-23 TO 1934-38

COUNTRY	AVERAGE 1919-23				AVERAGE 1924-28				AVERAGE 1929-33				AVERAGE 1934-38				1934-38 POSITION ON BASIS OF 1919-23	
	QUANTITY		UNITED STATES PERCENT-AGE OF TOTAL		QUANTITY		UNITED STATES PERCENT-AGE OF TOTAL		QUANTITY		UNITED STATES PERCENT-AGE OF TOTAL		QUANTITY		UNITED STATES PERCENT-AGE OR TOTAL		THEORETICAL IMPORTS FROM UNITED STATES	DIFFERENCE FROM ACTUAL IMPORTS
	TOTAL IMPORTS	1,000 POUNDS	FROM UNITED STATES	PERCENT	TOTAL IMPORTS	1,000 POUNDS	FROM UNITED STATES	PERCENT	TOTAL IMPORTS	1,000 POUNDS	FROM UNITED STATES	PERCENT	TOTAL IMPORTS	1,000 POUNDS	FROM UNITED STATES	PERCENT	PERCENTAGE SHARE	
BELGIUM AND LUXEMBOURG	38,070	15,585	51.4	49.4	44,249	21,872	41,933	48.2	47,884	1,000	18,131	37.9	40,816	1,000	14,222	34.8	20,579	+6,757
FRANCE	92,849	50,618	54.5	48.2	86,915	41,933	41,933	48.2	108,987	1,000	41,211	37.8	62,379	1,000	20,614	33.0	33,597	+13,383
GERMANY	A/151,653	A/27,688	14.4	11.5	218,175	24,995	24,995	11.5	197,149	1,000	21,251	10.8	204,051	1,000	14,757	7.2	28,383	+14,626
DENMARK	17,891	7,719	43.1	32.6	12,676	4,127	4,127	32.6	15,472	1,000	4,022	26.0	18,879	1,000	3,721	19.7	8,137	+4,416
NETHERLANDS	99,253	29,985	30.2	36.2	68,782	24,895	24,895	36.2	73,225	1,000	21,791	29.8	65,119	1,000	17,701	27.2	19,666	+1,965
NORWAY	6,821	5,831	85.5	78.7	5,022	3,952	3,952	78.7	5,525	1,000	3,738	67.7	6,019	1,000	4,507	74.9	5,146	+639
SWEDEN	10,932	7,608	69.6	62.4	10,012	6,246	6,246	62.4	13,030	1,000	6,022	46.2	13,534	1,000	7,539	55.7	9,420	+1,881
SWITZERLAND	19,215	9,561	49.8	44.4	12,743	6,166	6,166	44.4	16,930	1,000	7,554	44.6	15,672	1,000	6,225	39.7	7,805	+1,580
UNITED KINGDOM	230,674	205,914	89.3	82.3	201,732	166,870	166,870	82.3	244,424	1,000	169,086	80.0	274,742	1,000	213,017	77.5	245,345	+32,328
ITALY	A/56,594	A/46,749	82.0	50.4	20,002	10,084	10,084	50.4	9,950	1,000	3,214	32.3	5,600	1,000	712	12.7	4,592	+3,880
TOTAL	764,352	411,258	—	—	699,536	310,340	310,340	—	699,536	1,000	296,020	—	706,811	1,000	303,015	—	384,470	81,455

A/ FOUR-YEAR AVERAGE.

PREPARED IN THE OFFICE OF FOREIGN AGRICULTURAL RELATIONS. ORIGINAL DATA FROM OFFICIAL FOREIGN TRADE STATISTICS OF EACH COUNTRY.

### Postwar prospects for exports of tobacco

The recent war may have caused changes which will impair prewar standards of evaluation, but these changes, other than loss of life, property destruction, and boundary changes, are unknown. Prewar exports are, therefore, the only guide to potential postwar trade in tobacco. The tobacco trade of each country was established on the basis of price and consumer preference for particular classes of tobacco and for certain grades or qualities of each class. The trade is relatively stable and short-time radical changes are infrequent. It appears probable, therefore, that importing countries will seek supplies in the postwar period from their prewar sources, provided economic and trade conditions will permit.

Exports of tobacco from the United States are shown in Table 9, for the calendar years of 1920-1944 and the first 9 months of 1945. Tobacco exported from the United States is of several classes and types, and since the postwar prospects may vary according to class, it appears desirable that each class be considered separately.

#### Flue-cured tobacco

This class of tobacco made up about 75 percent of our exports in the prewar years 1934-38 and was shipped to almost 100 countries and dependencies. Of the total exports during that period, about 74 percent went to Europe, approximately 17 percent to Asia, and 6 percent to Oceania. The British Isles, the United Kingdom and Eire, took the bulk of our exports of flue-cured tobacco to Europe, accounting for about 88.5 percent. Other prewar European markets of importance were the Netherlands, Germany, Belgium, Sweden, Denmark, Norway, France, and Finland. China was the principal outlet for flue-cured tobacco in Asia, although Japan, Thailand, India, and the Netherlands Indies were markets of importance. The export markets for flue-cured tobacco in North America were Canada, Mexico, Newfoundland, and Labrador. The countries of Central America, South America, and the Caribbean Isles, imported flue-cured tobacco in the prewar period, and most of them maintained their imports during the war, some increasing their takings. Egypt was the principal market for flue-cured tobacco in Africa, but most countries of that continent imported small quantities. In Oceania, Australia and New Zealand were for many years important markets for flue-cured tobacco from the United States.

The postwar prospects for the export of flue-cured tobacco, as well as for other classes, should be considered in two parts: immediate prospects and long-term prospects. The prospects for export of flue-cured tobacco for the next 2 years are favorable. Stocks of United States flue-cured tobacco in some countries are below prewar levels, and in many others they are extremely low or nonexistent. Those countries which were large users of flue-cured tobacco will probably wish to purchase for current requirements and at the same time to replenish their stocks. This would create a large potential demand. The actual demand will, of course, depend on their ability to buy. In some cases, especially in devastated European countries, this can be accomplished only through loans or extended credit, as they have limited products for export. Other countries will need to sell their



TABLE 9. UNITED STATES: EXPORTS OF UNMANUFACTURED TOBACCO, CALENDAR YEARS 1923-44, JANUARY THROUGH SEPTEMBER 1945

YEAR ENDED DEC. 31	FLUE- CURED		FIRE- CURED		FIRE- CURED		MARYLAND AND OHIO EXPORT		GREEN RIVER		ONE SUCKER		BLACK FAT, WATER BALER, ETC.		CIGAR PERIQUE		OTHER LEAF		STEMS, TRIM- MINGS AND SCRAP		TOTAL	
	1,000	POUNDS	1,000	POUNDS	1,000	POUNDS	1,000	POUNDS	1,000	POUNDS	1,000	POUNDS	1,000	POUNDS	1,000	POUNDS	1,000	POUNDS	1,000	POUNDS	1,000	POUNDS
1923	179,982	179,982	150,880	150,880	48,364	48,364	18,062	18,062	14,058	14,058	B/	B/	B/	B/	389	389	56,768	56,768	22,846	22,846	497,347	497,347
1924	265,515	265,515	170,228	170,228	31,071	31,071	12,831	12,831	A/ 6,085	A/ 6,085	C/	C/	B/	B/	1,464	1,464	41,964	41,964	28,843	28,843	565,598	565,598
1925	278,279	278,279	116,974	116,974	20,343	20,343	13,913	13,913	A/ 17,971	A/ 17,971	C/	C/	B/	B/	883	883	14,092	14,092	9,017	9,017	477,489	477,489
1926	287,334	287,334	119,847	119,847	18,390	18,390	13,592	13,592	A/ 14,076	A/ 14,076	C/	C/	B/	B/	619	619	18,185	18,185	8,285	8,285	487,057	487,057
1927	302,425	302,425	112,008	112,008	24,277	24,277	20,036	20,036	12,829	12,829	6,370	6,370	619	619	531	531	9,313	9,313	5,617	5,617	511,869	511,869
1928	434,898	434,898	84,014	84,014	18,695	18,695	10,947	10,947	8,368	8,368	3,227	3,227	1,500	1,500	662	662	6,556	6,556	8,434	8,434	583,845	583,845
1929	440,837	440,837	79,777	79,777	24,122	24,122	11,577	11,577	10,362	10,362	3,213	3,213	5,655	5,655	4,409	4,409	60	60	10,555	10,555	565,903	565,903
1930	397,625	397,625	105,440	105,440	15,379	15,379	9,721	9,721	7,919	7,919	2,789	2,789	8,074	8,074	4,153	4,153	0	0	18,746	18,746	579,704	579,704
1931	388,252	388,252	67,971	67,971	11,430	11,430	7,549	7,549	5,347	5,347	1,477	1,477	8,673	8,673	3,794	3,794	0	0	20,925	20,925	524,470	524,470
1932	255,311	255,311	79,393	79,393	14,370	14,370	10,169	10,169	4,389	4,389	997	997	9,977	9,977	696	696	0	0	23,393	23,393	411,159	411,159
1933	297,941	297,941	76,574	76,574	11,936	11,936	9,186	9,186	2,542	2,542	1,166	1,166	8,578	8,578	1,894	1,894	0	0	18,518	18,518	438,936	438,936
1934	305,984	305,984	65,421	65,421	11,431	11,431	7,103	7,103	2,244	2,244	1,062	1,062	7,802	7,802	1,483	1,483	0	0	21,883	21,883	440,866	440,866
1935	289,609	289,609	52,574	52,574	9,456	9,456	4,690	4,690	3,601	3,601	1,154	1,154	10,432	10,432	752	752	0	0	15,148	15,148	396,330	396,330
1936	315,943	315,943	49,473	49,473	9,333	9,333	6,100	6,100	3,577	3,577	818	818	10,296	10,296	649	649	0	0	18,399	18,399	425,268	425,268
1937	327,696	327,696	52,663	52,663	9,638	9,638	5,321	5,321	2,061	2,061	215	215	8,693	8,693	920	920	0	0	17,037	17,037	434,795	434,795
1938	385,219	385,219	48,374	48,374	8,545	8,545	4,509	4,509	3,592	3,592	494	494	7,699	7,699	2,529	2,529	0	0	16,239	16,239	489,032	489,032
1939	245,977	245,977	41,710	41,710	8,272	8,272	6,332	6,332	2,263	2,263	2,094	2,094	7,212	7,212	1,497	1,497	0	0	31,273	31,273	358,489	358,489
1940	167,151	167,151	29,244	29,244	3,335	3,335	2,292	2,292	364	364	1,520	1,520	5,175	5,175	530	530	0	0	18,648	18,648	235,741	235,741
1941	232,851	232,851	9,834	9,834	4,288	4,288	2,490	2,490	516	516	1,234	1,234	3,530	3,530	1,945	1,945	0	0	7,026	7,026	269,757	269,757
1942	212,109	212,109	8,071	8,071	6,426	6,426	913	913	459	459	154	154	3,046	3,046	289	289	0	0	70	70	237,531	237,531
1943	368,548	368,548	10,316	10,316	3,956	3,956	1,325	1,325	531	531	456	456	3,160	3,160	675	675	0	0	207	207	333,371	333,371
1944	251,351	251,351	7,582	7,582	3,976	3,976	1,697	1,697	550	550	991	991	1,969	1,969	2,210	2,210	0	0	1,238	1,238	280,188	280,188
1945-1ST 9 MOS.	304,928	304,928	49,292	49,292	5,337	5,337	1,927	1,927	1,020	1,020	2,031	2,031	2,447	2,447	3,005	3,005	0	0	D/	D/	E/ 377,507	E/ 377,507

A/ INCLUDES "ONE SUCKER LEAF." B/ INCLUDED IN "OTHER LEAF." C/ INCLUDED IN "GREEN RIVER." D/ NOT AVAILABLE.

E/ EXCLUSIVE OF STEMS, TRIMMINGS, SCRAP.

COMPILED IN THE OFFICE OF FOREIGN AGRICULTURAL RELATIONS FROM FOREIGN COMMERCE AND NAVIGATION OF THE UNITED STATES AND RECORDS OF THE BUREAU OF THE CENSUS.

products in the United States to acquire dollar exchange for the purchase of tobacco and other products, raw and manufactured. However, in view of the importance of tobacco as a source of revenue to governments and its value in sustaining morale, it appears that the actual demand for flue-cured tobacco for at least 2 years will be equal to, or possibly exceed, this country's exportable surplus.

The long-term prospects for the export of flue-cured tobacco, and for other classes, will be determined by several factors, some of which appear to be unfavorable. The unfavorable factors are possible world over-production of flue-cured tobacco, price competition, trade barriers, and competition from Oriental (Turkish) tobacco.

Food is at present the principal concern of many nations which formerly produced tobacco for home consumption and for export. When the several nations return to normal peacetime pursuits, it is expected that those that previously grew tobacco will continue production, and they may try to exceed their prewar outturn. This will be determined to some extent by willingness and ability of the United States to supply other countries with flue-cured tobacco during their rehabilitation period and by their need of foreign exchange. There were some 20 countries, other than the United States, which grew flue-cured tobacco in prewar years, and several others were conducting experiments to determine whether they could grow the crop successfully. The principal producing countries, their production for specified years, and the United States percentage of known production, are shown in Table 10.

TABLE 10. FLUE-CURED TOBACCO: KNOWN PRODUCTION IN PRODUCING COUNTRIES, SPECIFIED YEARS, 1923-40

COUNTRY	YEAR OF HARVEST				
	1923	1927	1931	1935	1940
	1,000	1,000	1,000	1,000	1,000
	POUNDS	POUNDS	POUNDS	POUNDS	POUNDS
UNITED STATES	580,736	718,789	669,532	611,195	759,868
CANADA	-	6,248	24,600	35,199	42,028
CHINA	42,000	18,000	111,000	163,000	122,500
MANCHURIA	-	-	2,000	5,000	10,000
JAPAN	3,979	14,191	21,826	51,288	87,181
CHOSSEN	3,505	5,826	6,642	7,063	22,700
TAIWAN	579	326	390	1,262	10,398
JAVA	-	-	200	2,000	15,873
INDIA	-	-	1,326	13,500	35,500
AUSTRALIA	3,666	1,218	1,796	3,643	4,957
NEW ZEALAND	-	240	722	1,106	1,556
SOUTHERN RHODESIA	2,541	18,631	7,234	19,506	34,459
NORTHERN RHODESIA	19	3,006	1,441	1,576	2,222
NYASALAND	3,920	9,132	4,169	1,192	3,509
UNION OF SOUTH AFRICA	-	-	88	1,800	4,000
OTHER COUNTRIES	-	-	-	-	8,472
TOTAL	640,945	795,607	852,966	1,118,630	1,205,523
	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT
UNITED STATES PERCENTAGE	90.6	90.3	78.5	72.5	63.0
OTHER COUNTRIES	9.4	9.7	21.5	27.5	37.0

A/ESTIMATE. B/ARGENTINA, BRAZIL, MAURITIUS.

SOURCE: DATA FROM OFFICIAL SOURCES, INCLUDING REPORTS OF FOREIGN SERVICE OFFICIALS.



It will be noted that the United States produced 90.6 percent of the known world production of flue-cured tobacco in 1923. Its share decreased to 78.5 percent in 1931 and decreased further to 63 percent in 1940. Statistics of production in Asia are not available for the war years, but the outturn in that area probably declined. During the war years, production in the United States increased, and its percentage of world production is now greater than in the years immediately preceding World War II. If the prewar accelerated rate of flue-cured production in foreign countries should be maintained in the postwar period and if United States production should be continued at its present level, it appears that stocks of the several importing countries could be replaced rapidly, and at the same time consumption needs could be met. Should the high rate of world production continue after stocks have been replenished, the supply would exceed annual requirements, and the present shortage would be followed by a surplus. In that event, keen competition between exporting countries would result.

The price of flue-cured tobacco will be an important factor in the long-term prospects for exports, especially when stocks have been replenished and production equals or exceeds annual consumption. Prices of flue-cured tobacco are higher in the United States than in most of the producing countries, and much higher than in Asia, which will probably provide the keenest competition. Moreover, during the past few years, low-quality grades which are largely exported, have sold for almost the same prices as medium and higher-quality grades. If this situation continues, it could greatly reduce exports from the United States to those markets in which price is the important factor.

Export markets for flue-cured tobacco may be classified roughly into quality markets and price markets. Countries in which the population has medium to high earnings usually place moderate to high import duties on unmanufactured tobacco and tobacco products. The duty is usually much higher per pound than the price of unmanufactured tobacco, and it largely determines the cost to consumers of tobacco products. Manufacturers in these countries prefer tobacco of medium to choice qualities, if prices are not exorbitant, as superior products result from processing such qualities, and there is less waste in manufacturing. Those countries in which the earnings of the population are low, usually impose low duties, or none, on tobacco imports. In such countries the cost of unmanufactured tobacco largely determines the prices at which tobacco products are retailed, and manufacturers usually require low-priced tobacco. Price rather than quality is the determining factor in exports in these countries, as only low-priced products can be sold in large volume.

The tobacco industry is a state monopoly in several European countries. These countries do not impose duties on imports of unmanufactured tobacco but derive revenue from the manufacture and distribution of tobacco products. Price and quality need not be considered, since there is no competition, and the governments can regulate imports of tobacco according to determined trade policies. The trade relations between the monopoly countries and this country could affect exports from the

United States in the postwar period. In prewar years about 75 percent of our exports of flue-cured tobacco went to quality markets and approximately 25 percent to price markets and monopoly countries. It appears that some adjustment in prices for low-quality grades is necessary to retain exports of flue-cured tobacco from this country to those markets in which price rather than quality is the dominant factor.

In the interval between World War I and World War II, many countries attempted economic self-sufficiency, or economic isolation. These attempts brought into being many restrictions and trade deterrents for stimulation of home production, or the direction of trade into desired channels. The tobacco export trade of the United States was seriously hindered by import regulations, currency manipulations, preferential rates of duty, and barter arrangements. These were some of the trade conditions mentioned on page 4, causing United States exports to decline while exports from other countries increased. The barter arrangements instituted by Germany were largely responsible for the decrease in United States exports of tobacco to that country during the years immediately preceding the outbreak of World War II. Imperial preference likewise influenced adversely exports of tobacco from this country to the United Kingdom. Imports of tobacco into the United Kingdom in 1918 were 94.9 percent of United States origin. The present preferential duties became effective September 1, 1919. Thereafter, the percentage of tobacco imported into the United Kingdom from Empire countries gradually increased and the percentage from the United States decreased. Table 11 shows the imports of unmanufactured tobacco into the United Kingdom from the United States, Empire countries, and from other countries.

TABLE 11. UNITED KINGDOM IMPORTS OF UNMANUFACTURED LEAF TOBACCO, FROM THE UNITED STATES, EMPIRE COUNTRIES, AND OTHER COUNTRIES FOR SELECTED YEARS AND 1918-1938

YEAR	QUANTITY				PERCENTAGE		
	TOTAL	UNITED STATES	EMPIRE COUNTRIES	OTHER COUNTRIES	UNITED STATES	EMPIRE COUNTRIES	OTHER COUNTRIES
	MILLION POUNDS	MILLION POUNDS	MILLION POUNDS	MILLION POUNDS	PERCENT	PERCENT	PERCENT
1909	126.8	113.9	1.0	11.9	89.8	0.8	9.4
1911	118.7	104.5	2.1	12.1	88.0	1.8	10.2
1913	162.3	141.9	2.2	18.2	87.4	1.4	11.2
1918	171.6	162.9	6.9	1.8	94.9	4.0	1.1
1919	348.8	315.9	13.9	19.0	90.6	4.0	5.4
1920	219.0	177.5	18.2	23.3	81.1	8.3	10.6
1921	227.8	214.7	7.5	5.6	94.3	3.3	2.4
1922	184.8	166.7	12.7	5.4	90.2	6.9	2.9
1923	173.0	154.8	12.9	5.3	89.5	7.4	3.1
1924	182.4	156.9	19.3	6.2	86.0	10.6	3.4
1925	188.9	162.7	18.9	7.3	86.1	10.0	3.9
1926	197.1	161.3	29.8	6.0	81.8	15.1	3.1
1927	222.3	177.4	41.0	3.9	79.8	18.4	1.8
1928	217.8	171.8	43.1	2.9	78.9	19.8	1.3
1929	240.0	205.4	31.5	3.1	85.6	13.1	1.3
1930	237.0	197.8	35.3	3.9	83.5	14.9	1.6
1931	194.0	157.2	34.3	2.5	81.0	17.7	1.3
1932	174.9	125.2	47.7	2.0	71.6	27.3	1.1
1933	211.1	159.9	49.2	2.0	75.7	23.3	1.0
1934	238.9	188.9	47.6	2.4	79.1	19.9	1.0
1935	251.6	202.5	45.1	4.0	80.5	17.9	1.6
1936	270.9	213.5	52.6	4.8	78.8	19.4	1.8
1937	267.5	203.4	57.3	6.8	76.0	21.4	2.6
1938	344.9	256.7	82.9	5.3	74.4	24.0	1.6

COMPILED IN THE OFFICE OF FOREIGN AGRICULTURAL RELATIONS FROM DATA CONTAINED IN THE TRADE OF THE UNITED KINGDOM



It will be noted that the percentage of increase in imports from Empire countries corresponds to the decrease in the percentage from the United States. Preferential rates of duty were directly responsible for the loss in the relative position of this country in the tobacco trade of the United Kingdom. The tobacco imported from Empire countries into Great Britain was largely flue-cured. Unless trade barriers were removed, or greatly reduced, exports of flue-cured tobacco, and other classes from the United States, will probably decline in the long-term postwar period.

The countries of continental Europe, except Portugal, Spain, Switzerland, and Sweden, were unable to obtain supplies of flue-cured tobacco during the war years. Their stocks were probably exhausted early in the war, and they were then forced to rely on European production and that of nearby Asiatic countries for their supplies of tobacco for all purposes. Oriental (Turkish) tobacco was popular with cigarette smokers in many continental countries before the war, and since it was the main supply available for cigarettes during the war, its popularity no doubt increased. Oriental tobacco has characteristics distinctly different from those of flue-cured tobacco, and it appears probably that during the war an increased percentage of smokers in Europe became accustomed to its particular flavor and aroma. It is probable, therefore, that for some time Oriental tobacco will continue in demand for cigarette purposes, and this, if true, may reduce the requirements for flue-cured tobacco in several European countries.

#### Fire-cured tobacco

Fire-cured types made up the second largest class of tobacco exported from the United States, and accounted for about 14.5 percent of prewar shipments. Europe took the bulk of exports of fire-cured tobacco, and Africa was the second largest outlet. These two continents took approximately 96 percent of fire-cured exports from this country during the years preceding the recent war. In Europe, France was the largest importer, with the Netherlands second and Belgium third. Norway was the largest market for Virginia fire-cured. The British and French Colonies of West Africa took the bulk of fire-cured exports to that continent.

The immediate prospects for the export of fire-cured tobacco are favorable. Stocks of United States fire-cured tobacco in the principal importing countries of Europe and Africa were exhausted in some countries at the close of the war and were very low in others. There should be a ready demand for all fire-cured tobacco now available for export as well as for the amounts available from the 1945 and 1946 crops. The actual demand will depend on the ability of importing countries to provide dollar exchange and on their willingness to purchase fire-cured tobacco at present market prices.

The long-term prospects are less favorable for exports of fire-cured tobacco. In addition to the unfavorable factors mentioned in the discussion of flue-cured tobacco, there is the historic trend in the exports of fire-cured tobacco. Exports of fire-cured tobacco have been on the decline for about a quarter of a century. In the 5 years before World War II,

average annual exports were less than one-third of the volume exported in 1923. This decrease was due to the change in consumer preference and to competition from other producing countries.

The greatest decline in exports of fire-cured tobacco was in trade with Italy. In 1923, United States exports of Italy of Kentucky and Tennessee fire-cured tobacco amounted to 31 million pounds and of Virginia fire-cured 0.8 million pounds. This trade had deteriorated by 1938 to 0.5 million pounds and 0.2 million pounds, respectively. This tremendous loss in exports to Italy was due to increased Italian production, which made that country independent of foreign supplies and provided small quantities of fire-cured tobacco for export. The tobacco industry in Italy is a government monopoly, and the trade in tobacco there is not on a competitive basis. The exports from this country to Italy, therefore, have slight chance of reaching their former proportions under existing conditions.

The preferential rate of duty on imports of Empire tobacco into the United Kingdom aided Nyasaland in capturing the major part of the fire-cured tobacco market in Great Britain. In 1923, the United States exported 41.4 million pounds of fire-cured tobacco to the United Kingdom, and the amount decreased to 4.4 million pounds in 1938, a drop of 37 million pounds. A part of this decrease was due to the change in consumer preference from pipe smoking to cigarettes. The decrease was also due to replacement of fire-cured tobacco from the United States by that from Nyasaland. The total imports from Nyasaland into the United Kingdom were 5.9 million pounds in 1923, and flue-cured made up the major part of this amount. In 1938, the United Kingdom imported a total of 13.4 million pounds from Nyasaland, and darks, mostly fire-cured, made up 11.5 million of this amount. The drop in imports of fire-cured tobacco from the United States by the United Kingdom was offset to the extent of some 10 million pounds by imports from Nyasaland. In recent years, tobacco production in Nyasaland has become primarily a native crop, and this is particularly true of fire-cured tobacco. In 1923, production by natives amounted to approximately 0.2 million pounds. By 1938, fire-cured tobacco grown by natives in Nyasaland amounted to 12.5 million pounds, and in 1943 native production reached 20.5 million pounds. The United Kingdom was the logical market for the bulk of this tobacco on account of the preferential duty granted Empire-grown tobacco. Shipping and currency restrictions during the war years, however, enabled Nyasaland to increase its exports to West Africa. Nyasaland exported 432,000 pounds of tobacco to West Africa in 1938, and by 1943 this trade had increased to 2,751,000 pounds.<sup>1/</sup> Trade restrictions prevented the shipment of fire-cured tobacco from the United States to West Africa, but did not prevent shipments of tobacco from Nyasaland.

It appears doubtful that there will be a reversal in the trend of consumer preference that would be sufficient to increase greatly the consumption of fire-cured tobacco. There is also slight probability that

<sup>1/</sup> The Nyasaland Agricultural Quarterly Journal, July 1945.



production in other countries will, under existing conditions, decline sufficiently to increase greatly the demand for fire-cured tobacco from the United States. It appears probable, therefore, that this class of tobacco will make up a decreasing percentage of our tobacco exports in the long-term postwar period.

#### Light air-cured tobacco

Light air-cured tobacco includes two types - Burley and Maryland. Certain characteristics are common to both but in others they are unlike.

Burley.--Burley tobacco was not important in our prewar export trade. It was, and still is, regarded as a domestic type. In prewar years, exports averaged about 10 million pounds annually, which was a small fraction of the amount produced. Europe took about 82.5 percent of the prewar exports of Burley. Portugal, Belgium, the Netherlands, Denmark, and Sweden, were the principal importing countries. During the war years, exports were slightly more than 50 percent of the prewar average, and these went principally to Portugal, Switzerland, Mexico, and Egypt.

The immediate prospects for export of Burley tobacco are favorable, due to the depletion of stocks in the principal importing countries. If those countries that were unable to acquire Burley during the war years resume their prewar imports, and exports to other countries continue at the same level as during 1940-44, the exports of Burley will exceed prewar volume. It appears likely that this will take place, but it is improbable that Burley, in the immediate future, will be exported in sufficient volume to become an important export type.

The long-term export prospects are uncertain. Burley is one of the principal tobaccos used in blending American-type cigarettes. Cigarettes were sent in large quantities to United States troops, and it is probable that considerable numbers were consumed by the civilian population and allied troops in areas where the soldiers were stationed. The American cigarette, therefore, had almost world-wide distribution during the war. It was thought by some that this distribution would popularize American cigarettes and increase the postwar export demand for Burley tobacco. This situation has not yet developed, but lapse of time may have been insufficient. It appears, however, that a greatly increased export demand may depend largely on the efforts made to popularize the use of Burley tobacco in foreign countries.

The production of Burley tobacco in other countries is very limited, due to unsatisfactory results, except in Canada. Any considerable increase in foreign demand would be of direct benefit to producers and exporters of this country, as Burley tobacco would be obtainable at present only from the United States.

Maryland.--Maryland and "Ohio export tobacco" are combined in foreign trade statistics. The amount of the latter is unimportant, due to its limited production, and export figures may, therefore, be considered as

applicable to Maryland tobacco only. Europe was the principal prewar market for Maryland tobacco, with North African countries second in importance. The principal importing countries of Europe were the Netherlands, Switzerland, France, Belgium, Germany, and Denmark. Algeria and Tunisia took the bulk of exports to North Africa.

The immediate prospects for the export of Maryland tobacco appear to be favorable. Stocks of this type in European countries, excepting Switzerland, are probably depleted and will need to be replenished. This should create an immediate potential demand. The actual demand will, of course, be determined by the ability of the several countries to finance purchases and by their willingness to acquire supplies at current prices.

The long-term prospects appear to be less favorable. Maryland tobacco was largely an export type before World War I. As late as 1927, exports were about 77 percent of total production in 1926, but thereafter they declined irregularly to their prewar level of about 16 percent. France was for many years the main export outlet for Maryland tobacco, in 1927 taking 44.7 percent of the Maryland and Ohio tobacco exported. After that year, exports to France dwindled irregularly, and during the later prewar years, average annual shipments to that country were only 12 percent of total exports. Exports to the Netherlands also declined, but the takings of Switzerland were well maintained. In 1927, exports of Maryland and Ohio tobacco amounted to 20 million pounds, and by 1938 the amount had decreased to 4.5 million pounds.

Supplies of air-cured tobacco are available from other countries, including French colonies. Although these growths may not be comparable in quality to Maryland tobacco, they can be used as substitutes, and moreover, the air-cured tobacco available from some areas is much lower in price. It appears improbable that long-term exports of Maryland tobacco will greatly exceed prewar shipments unless prices of export grades are adjusted to meet foreign competition.

#### Dark air-cured tobacco

The dark air-cured tobaccos include One Sucker (Type 35); Green River (Type 36), and Virginia Sun-cured (Type 37). Exports, if any, of the latter type are so small that they are not recorded separately in Foreign Commerce Statistics of the United States.

One Sucker.—This type has been of minor importance in leaf exports. It was, and is now, mainly used for domestic manufacture, but the rehandling trade takes certain grades, and a small amount of leaf is exported. Europe was the principal outlet for leaf, while Africa took some leaf and most of the rehandled tobacco of this type. Prewar shipments of leaf were less than one million pounds annually. Belgium and the Netherlands were the principal European markets and the French and British Colonies of West Africa took the bulk of shipments to that continent.

The immediate prospects for exports appear to be favorable. This assumption is based on the probability of depleted stocks in Europe and Africa, and the desire of importers to replenish their supplies. Exports for the first 9 months of 1945 were in excess of average annual shipments in the 5-year prewar period.

The long-term outlook for exports of One Sucker tobacco is less encouraging. The past trend in consumer preference has been toward the use of light, thin, tobacco, and this was unfavorable to increased usage of dark, heavy-bodied leaf. The present price of One Sucker tobacco, if it is maintained, will also hamper the export trade as substitute dark air-cured tobacco is available from other countries at lower prices. Unless there is a decided change in consumer preference and at the same time a decrease in the prices of export grades to meet foreign competition, it appears that exports of One Sucker tobacco may be reduced in the long-term postwar period.

Green River.—In the early years of its development, Green River tobacco was an export type. After World War I, exports decreased and the decline has continued. In 1923, exports totaled 14 million pounds, and by 1938, only 3.6 million pounds were sent to foreign countries. The United Kingdom was the principal export market, but Belgium and Eire were also important outlets.

The immediate prospects for export of Green River tobacco appear to be favorable. Stocks of this type in importing countries are probably depleted and will need to be replenished. This, if true, will probably cause export demand, in the immediate future, to exceed prewar shipments.

The long-term prospects are less favorable. It is probable that the World trend from pipe smoking to cigarettes has been accelerated by World War II. If so, the demand for dark air-cured tobacco would be decreased. The prewar trend is indicated by the takings of tobacco by Eire, which imports most of its tobacco. In 1923, exports from the United States to Eire were 8.2 million pounds. Of this amount, flue-cured accounted for 1.7 million pounds, fire-cured 3.1 million, and Green River, 3.3 million. In 1938, exports to Eire were approximately 12 million pounds, of which 10.3 million were flue-cured, 1.5 million fire-cured, and 0.2 million Green River. In 15 years, the exports to Eire of Green River tobacco decreased from 3.3 million pounds to 0.2 million pounds, a drop of 94 per cent. Exports of Green River tobacco to the United Kingdom were 6.8 million pounds in 1923, and 2.8 million in 1938. In the case of Eire, the decrease in takings of Green River tobacco was due to the change in consumer use of tobacco. The decrease in exports to the United Kingdom was due partly to the change in the usage of tobacco and partly to Imperial Preference. In 1938, the United Kingdom imported from India 6.5 million pounds of dark air-cured tobacco, whereas its total imports of all types from India were only 4.6 million pounds in 1923. Preferential rate of duty was a contributing factor in the replacement of Green River tobacco by Indian tobacco, and should the preference be continued, it appears that export of Green River tobacco would decrease rather than increase in the long-term shipments to



that country. Price will also be a factor in the long-term prospects for export of this type, since supplies of dark air-cured tobacco are available from other countries at prices below those now prevailing for Green River tobacco. Under present competitive conditions, it appears unlikely that the foreign trade in Green River tobacco will materially exceed, in the long-term postwar exports, that of the prewar years.

#### Black Fat and Dark African tobacco.

These tobaccos are processed before they are exported. The treatment is a trade secret, and it is said to vary somewhat to meet special requirements of the countries of destination. Although the amount exported is not great, it provides an outlet for certain grades of dark air-cured and fire-cured tobacco, and it is of importance to producers, as exports of untreated leaf of these types declined in prewar years. Exports averaged slightly less than 9 million pounds annually for the 1934-38 period. The West Coast of Africa was the principal market, and smaller amounts went to the Caribbean area and to Europe.

Shipments to the principal importing countries have been restricted for several years and their stocks are necessarily low or exhausted. The immediate prospects for exports should, therefore, be favorable. Moreover, restrictions on West African trade have been removed to a considerable extent and exports of tobacco to that area should now be less difficult.

The long-term prospects are not unfavorable. The treatment of Black Fat and Dark African tobacco is a highly specialized operation. Attempts at duplicating United States exports have not been highly successful, and it is probable that, with the removal of trade restrictions, exports of treated leaf tobacco will continue to find favor with consumers. Change in consumer preference to manufactured products, particularly cigarettes, has reduced the demand for Black Fat and Dark African tobacco and this trend will probably continue. The African is conservative and not given to rapid change, and the switch to manufactured products is expected to be gradual, providing supplies of treated leaf are available at reasonable prices. It is probable that exports to West Africa will be fairly well maintained for several years, but that shipments to Europe and the Caribbean area may be of decreasing importance in the long-term postwar period.



# FOREIGN AGRICULTURE CIRCULAR

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## UNITED STATES TOBACCO EXPORTS CONTINUE TO INCREASE

United States exports of unmanufactured tobacco for the first 6 months of 1946 amounted to about 327 million pounds (declared weight) with a valuation of \$171,710,000, compared with 264 million pounds (valuation \$135,731,000) for a similar period a year ago. About 273 million pounds, or 84 percent of total exports during the 1946 period, consisted of flue-cured. Fire-cured exports totaled 19.7 million pounds, compared with 27.7 million during the first 6 months of last year. Burley exports, amounting to 15.3 million pounds, were nearly 6 times as large as those for the first half of 1945.

During the first 6 months of 1946, flue-cured exports went to some 50 countries and dependencies. About 197 million pounds, or 72 percent of total flue-cured exports, went to the United Kingdom. Australia took 15.8 million pounds and China 10.6 million. Other leading purchasers of flue-cured were Belgium with 7.3, New Zealand 6.3, and India 5.1 million pounds. Total exports of flue-cured were about 21 percent larger than the exports of this class for the first half of 1945.

### UNITED STATES: Exports of unmanufactured tobacco, declared weight, January-June 1946 a/

	1946				
	January- March	April	May	June	Total 6 months
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Flue-cured.....	128,568	49,528	45,573	49,323	272,992
Kentucky-Tennessee fire-cured.....	2,475	4,055	4,453	4,897	15,880
Virginia fire-cured.....	932	710	1,486	701	3,829
Burley.....	1,604	3,676	5,266	4,797	15,343
Maryland.....	1,017	390	1,159	115	2,681
One-Sucker.....	223	26	299	0	548
Green River.....	954	85	549	13	1,601
Black Fat, etc.....	942	480	1,140	429	2,991
Cigar.....	1,806	203	755	253	3,017
Perique.....	11	67	7	0	85
Stems, trimmings and scrap.....	4,936	1,181	1,606	212	7,935
Total.....	143,468	60,401	62,293	60,740	326,902
Value (1,000 dollars)...	76,633	32,264	32,404	30,409	171,710

Source: Records of the Bureau of the Census. a/ Preliminary



Exports of Kentucky-Tennessee fire-cured, totaling 15.9 million pounds for the first half of 1946, went chiefly to France, Switzerland, Sweden, and the Netherlands. Exports of Virginia fire-cured went largely to Sweden, Switzerland, and Norway. Total exports of fire-cured were only 71 percent of those during the first 6 months of 1945, because of the short supply available for shipment abroad.

Burley exports during the first 6 months of 1946 went to some 35 countries and dependencies. France, which took 6 million pounds, was the principal customer for Burley. Other important purchasers were Portugal, Mexico, and Norway. Total 6-month exports of Burley were considerably above the average annual shipments of 10.6 million pounds for the prewar (1935-1939) period.

Maryland exports of 2.7 million pounds were destined chiefly to Switzerland and the Netherlands. One-sucker exports were shipped principally to France and West African countries. Green River went largely to France. Nigeria and the Gold Coast continued to be the principal markets for Black Fat. Exports of cigar leaf, which totaled 3 million pounds, were chiefly to Belgium, Denmark, the United Kingdom, and Switzerland. China was the destination of the bulk of exports of stems, trimmings, and scrap, amounting to nearly 8 million pounds.

